

**STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097**

BRENNON T. MORIOKA
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IN REPLY REFER TO:

Board of Land and
Natural Resources
State of Hawaii
Honolulu, Hawaii

ISSUANCE OF DIRECT LEASE
EAGLE AIR MED CORPORATION
HONOLULU INTERNATIONAL AIRPORT

OAHU

REQUEST:

Issuance of a direct lease to Eagle Air Med Corporation for development, construction, operation, and maintenance of a general aviation hangar facility, and conduct air medical transportation activities at Honolulu International Airport.

APPLICANT / LESSEE:

EAGLE AIR MED CORPORATION, a UTAH corporation authorized to do business in the State of Hawaii

LEGAL REFERENCE:

Subsection 171-59(b), Hawaii Revised Statutes, as amended.

LOCATION AND TAX MAP KEY:

Portion of Honolulu International Airport, Honolulu, Island of Oahu, identified by Tax Map Key: 1st Division, 1-1-72: 28 and 1-1-72: portion of 27

AREA:

Lot/Space Nos. 009-151, containing a land area of 24,086 square feet of improved/paved general aviation land, as shown and delineated on the attached map labeled Exhibit A

ZONING:

State Land Use District: Urban
City and County of Honolulu: I-2 (Industrial)

LAND TITLE STATUS:

Section 5(e) - Public Law 88-223 - “ceded” land of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES ☐ NO ☒

CURRENT USE STATUS:

Land presently encumbered by Governor’s Executive Order No. 3201, setting aside a portion of Honolulu International Airport under the control and management of the Department of Transportation, Airports Division, State of Hawaii, for Airport Purposes.

CHARACTER OF USE:

1. Development, construction, operation, and maintenance of a general aviation hangar facility; and,
2. Conduct Air Medical Transportation activities

TERM OF LEASE:

Thirty (30) years

LEASE COMMENCEMENT DATE:

Upon execution of the lease document

ANNUAL GROUND LEASE RENTAL:

First Five (5) Years (Lease Years 1 through 5): \$50,098.88 per annum, payable in quarterly installments of \$12,524.72, in advance, based upon present ground lease rental rate of \$2.08 per square foot, per annum for the premises at Honolulu International Airport

Second Five (5) Years (Lease Years 6 through 10): \$57,613.72 per annum, payable in quarterly installments of \$14,403.43, in advance, based upon the product of the annual rental for the fifth (5th) year of the lease term (\$50,098.88) and 115%.

Fourth Five (5) Years (Lease Years 16 through 20): An annual rental of 115% times the annual rental for the last year of the immediately preceding five-year period (15th year) of the lease term.

REOPENING OF ANNUAL GROUND LEASE RENTAL:

For each of the three remaining five (5)-year lease periods totaling fifteen (15) years, the fair market annual ground lease rental for each five (5)-year lease rental reopening period shall be determined separately when due at the time of reopening, in accordance with the provisions of Section 171-17, Hawaii Revised Statutes, relating to Appraisals, by an independent real estate appraiser whose services shall be contracted for and paid by the Department of Transportation.

PERFORMANCE BOND:

Sum equal to at least one quarter (1/4) of the annual ground lease rental then in effect

MINIMUM IMPROVEMENTS REQUIREMENT:

\$1,200,000.00

PROPERTY CHARACTERISTICS:

Utilities: All utilities are available at the site

Improvements: Eagle Air Med Corporation desires to develop, construct, operate and maintain a general aviation hangar facility on the proposed leased premises.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

The subject land area is covered by Volume 3, Environmental Assessment for the Honolulu International Airport Master Plan Update and Noise Compatibility Program, dated September 1989 and referenced as State Project No. AO1011-03. This Environmental Assessment evaluated the environmental effects of the recommended Airport Development Plan which would accommodate the forecast general and commercial aviation needs of the island of Oahu through the year 2005 and was prepared for the State of Hawaii, Department of Transportation, Airports Division by KFC Airport, Inc.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>X</u>	NO <u> </u>
Registered business name confirmed:	YES <u>X</u>	NO <u> </u>
Good standing confirmed:	YES <u>X</u>	NO <u> </u>

REMARKS:

In accordance with Section 171-59(b), HRS, relating generally to Management and Disposition of Public Lands and relating specifically to Disposition by negotiation, the Department of Transportation proposes to issue a direct lease to Eagle Air Med Corporation for the purpose of: (1) developing, constructing, operating, and maintaining a general aviation hangar facility and other related accessory improvements; and (2) conducting commercial general aviation activities at Honolulu International Airport.

RECOMMENDATION:

That the Board authorize the Department of Transportation to issue a direct lease to Eagle Air Med Corporation, subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (3) review and approval of the Department of the Attorney General as to the lease form and content.

Respectfully submitted,

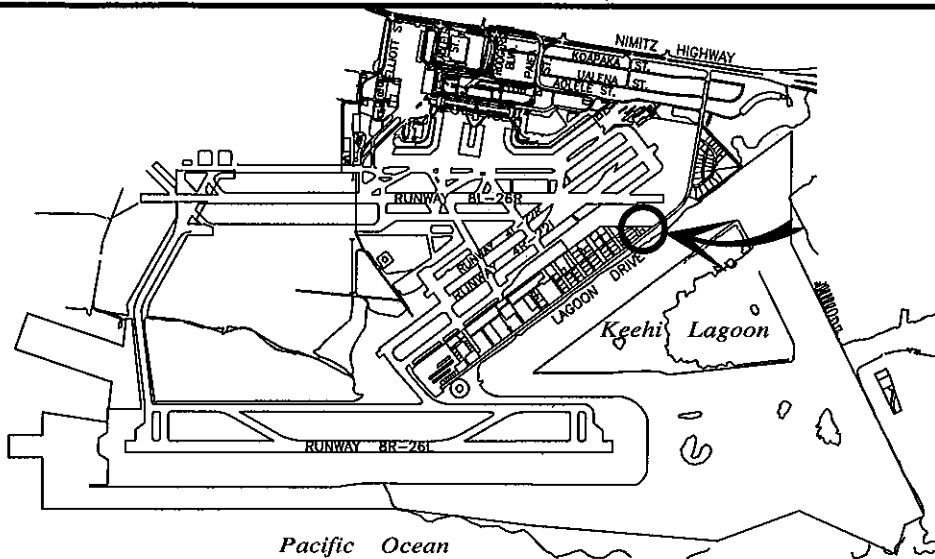


BRENNON T. MORIOKA, Ph.D., P.E.
Director of Transportation

APPROVED FOR SUBMITTAL:

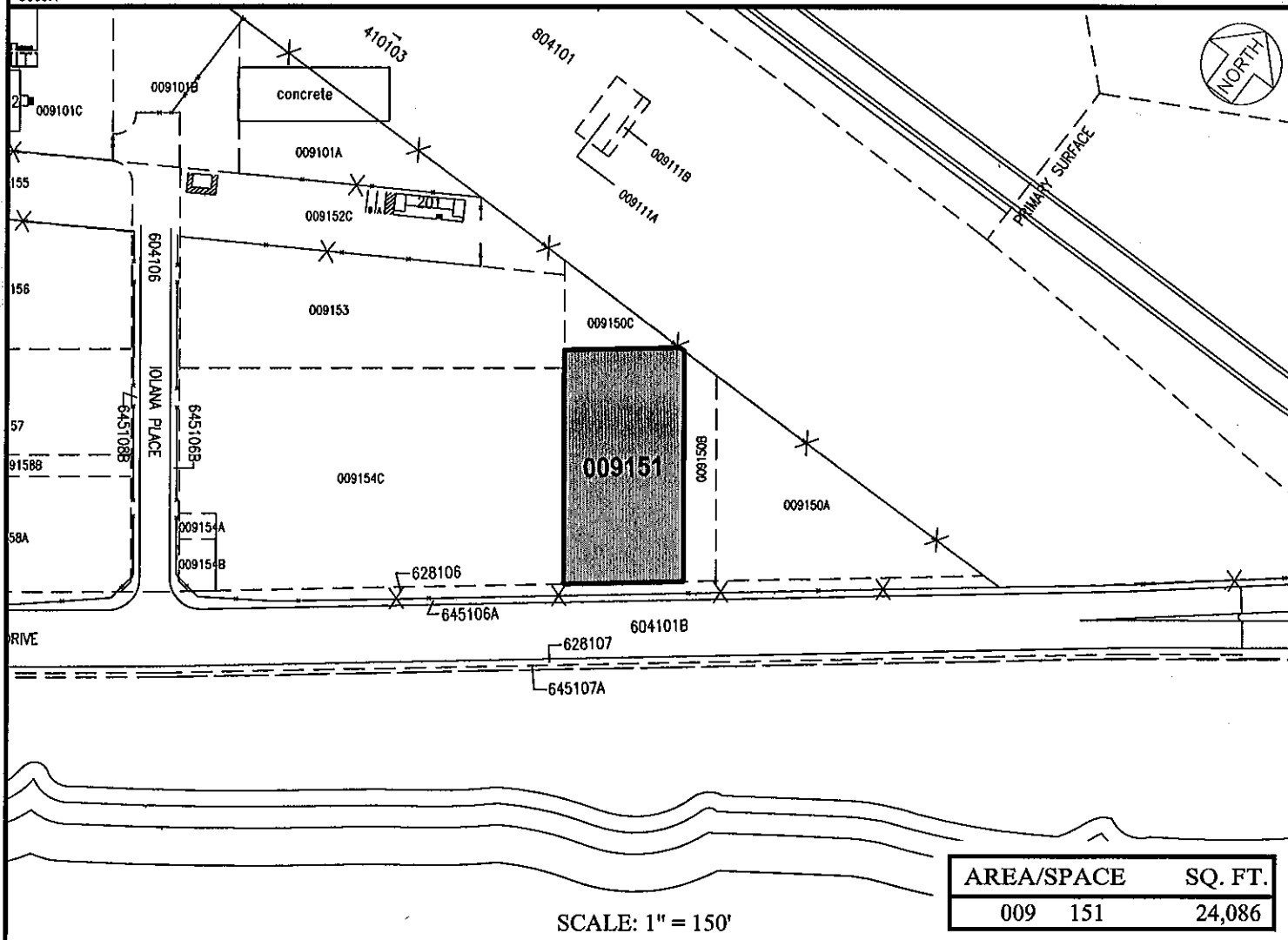


LAURA H. THIELEN
Chairperson and Member



LOCATION PLAN

5000:1



SCALE: 1" = 150'

AREA/SPACE		SQ. FT.
009	151	24,086

DATE : MARCH 2009

EXHIBIT: **A**



Airports Division

**EAGLE AIR MED
CORPORATION**

**LOTS
SOUTH RAMP**

009151

PLAT 36

HONOLULU INTERNATIONAL AIRPORT

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